VZCZCXRO9581 OO RUEHIK DE RUEHTA #0257/01 0530938 ZNR UUUUU ZZH O 220938Z FEB 10 FM AMEMBASSY ASTANA TO RUEHC/SECSTATE WASHDC IMMEDIATE 7529 INFO RUCNCIS/CIS COLLECTIVE 2525 RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE RUEHZL/EUROPEAN POLITICAL COLLECTIVE RUEHBJ/AMEMBASSY BEIJING 1871 RUEHKO/AMEMBASSY TOKYO 2577 RHMFISS/DEPT OF ENERGY WASHINGTON DC RUCPDOC/DEPT OF COMMERCE WASHINGTON DC RUEATRS/DEPT OF TREASURY WASHINGTON DC RUEAIIA/CIA WASHDC RHEFAAA/DIA WASHDC RHEHNSC/NSC WASHDC 2068 RUEKJCS/SECDEF WASHDC 1916 RUEKJCS/JOINT STAFF WASHDC RHMFIUU/CDR USCENTCOM MACDILL AFB FL RUEHAST/AMCONSUL ALMATY 2338

UNCLAS SECTION 01 OF 02 ASTANA 000257

SENSITIVE SIPDIS

STATE FOR SCA/CEN, EAP/CM, EEB

E.O. 12958: N/A

TAGS: <u>PGOV PREL ECON EAGR SOCI CH KZ</u>
SUBJECT: KAZAKHSTAN: CHINESE LAND-LEASE DEAL STIRS UP CONTROVERSY

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REFTELS: A. 09 ASTANA 2168

¶B. ASTANA 0072 ¶C. ASTANA 0119 ¶D. ASTANA 0184

- (U) Sensitive but unclassified. Not for public Internet.
- (SBU) SUMMARY: Despite a December 23, 2009, Interfax press report that President Nazarbayev instructed the prosecutors to punish those who disseminate information about the sale of land to foreigners, opposition leaders have continued to advocate against the transfer of land to China. At a press conference in Almaty on January 13, Azat Party leaders Zharmakhan Tuyakbay and Bulat Abilov spoke out against any form of land transfer to foreign countries. Subsequently, on January 30, the Azat National Social Democratic Party (NSDP) and several other opposition parties held a government-sanctioned rally, attended by approximately 2,000 protesters in Almaty, to protest against rumors that the Kazakhstani government is considering a request to rent land to China. The January 30 protest followed a similar demonstration on December 11, 2009, in front of the Chinese Consulate General in Almaty on the eve of Hu Jintao's visit to Astana to inaugurate the Kazakhstan-China pipeline (ref A). The government has not initiated any actions against opposition leaders in relation to protests against land deals with China, but Kazakhstani media report that the authorities detained 13 Arman Public Association activists, as a result of their actions following the January 30 demonstration. The China land-lease deal, rumored to possibly having been under consideration by the Kazakhstani Government, along with allegations that the President's son-in-law, Timur Kulibayev, received kickbacks over energy deals with China, remain extremely sensitive issues in Kazakhstan (refs B-D). The rumors of corruption are especially troubling to Kazakhstanis, who are acutely sensitive to densely-populated China's geographical proximity and growing economic influence. END SUMMARY.

CHINESE LAND DEAL SPARKS A PROTEST...

13. (SBU) President Nursultan Nazarbayev's announcement at a meeting of the Foreign Investors' Council on December 4, 2009, that China

had requested one million hectares of land for the cultivation of agricultural crops triggered large demonstrations in Almaty on December 11, 2009, and January 30. During the first rally, organized by a group of Kazakhstani intellectuals, the protesters tried to present a petition expressing their concerns. Because no officials from the Chinese Consulate talked to the protesters or accepted their petition, the group announced their plan to mail the original to the Consulate, with a copy to the Presidential Administration. During Chinese President Hu Jintao's visit to Astana on December 12, 2009, according to Kazakhstan's Minister of Agriculture Akylbek Kurishbayev, bilateral talks did not address the question of China's leasing of land (ref A).

...AND A QUICK RESPONSE FROM THE GOVERNMENT

14. (SBU) In apparent response to the public outcry against the China land-lease deal, local press reported on December 23, 2009, that President Nazarbayev instructed Kazakhstani prosecutors to punish dissemination of information about the sale of land to foreigners. On December 30, 2009, the Prosecutor General's Office also issued a statement -- apparently to refute charges that the government had ever considered a land-lease deal -- that according to Kazakhstani law, land and other natural resources are state-owned, and cannot legally be transferred to foreign ownership.

PROTESTS AGAINST ALLEGED CHINESE LAND-LEASE DEAL CONTINUE

15. (SBU) Reflecting widespread wariness and concern among the public about the growing influence of China on Kazakhstan, opposition leaders have continued to protest against the purported government plan to lease land to China. At a January 13 press conference in Almaty, the leaders of the opposition Azat National

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Social Democratic Party (NSDP), Zharmakhan Tuyakbay and Bulat Abilov, stated their party's opposition to any form of land transfer to foreign countries. Tuyakbay said government officials discussed the establishment of a joint venture with a Chinese company to lease land-plots to China. "The situation is unclear and the sense of alarm in the public remains," Tuyakbay added. Government representatives have strenuously denied that any plan to lease land to China had been seriously considered, let alone approved.

16. (SBU) On January 30, several opposition parties co-organized a government-sanctioned rally, attended by approximately 2,000 protesters in Almaty, protesting Kazakhstan renting land to China. The Azat Party led the protest, with support from the unregistered Alga and Communist Parties, and the Socialist Resistance and Talmas movements. Participants held banners saying "Stop lawlessness," "Government should be brought to account," and "The future of the land is the future of the nation." For two hours, opposition leaders, including Zharmakhan Tuyakbay and Bulat Abilov of Azat, Vladimir Kozlov of Alga, Amantay Akhetov of the Communist Party, Aynur Kurmanov of the Socialist Resistance and poet Mukhtar Shakhanov spoke against renting Kazakhstani land to China. Some spoke against private land ownership and leasing any land to foreign entities. The speakers lambasted the government for its practices, but no one criticized President Nazarbayev. The police watched the peaceful rally, only intervening on one occasion -- to force a person holding a poster depicting a Chinese dragon on Kazakhstan's flag to fold it up.

POLICE DETAIN 13 ACTIVISTS AFTER SANCTIONED RALLY

17. (SBU) After Azat organizers announced the end of the rally and asked participants to disperse, several members of the Arman Public Association refused to leave. The group's leader, Yermek Narymbayev, and several of his supporters, loudly and harshly criticized President Nazarbayev's policies for approximately 30 minutes. Narymbayev accused Nazarbayev of selling most of Kazakhstan's oil fields to China, and of planning to sell Kazakhstani land to China. Several dozen Arman supporters encircling the speakers chanted "Down with Nazarbayev." The Embassy's Political Assistant personally observed the police cordoning off the Arman activists, forcing them out of the theater

into a park nearby, and forcing Narymbayev into a police vehicle. After this incident, approximately 100 law enforcement officers blocked the street sidewalks. According to Azzatyq Radio Liberty, the police arrested 13 Arman activists. Narymbayev was reportedly tried and sentenced to 10 days of detention for organizing an unsanctioned protest.

- 18. (SBU) Vladimir Kozlov of Alga asserted that the National Security Committee (KNB) organized the incident as a provocation, in order to accuse the opposition of being unable to control a peaceful protest, and support the denial of future opposition rally requests. (COMMENT: Since authorities have not hesitated to deny the opposition permission for rallies, Kozlov's assertion does not appear credible. Law enforcement's detention of 13 Arman movement protesters is also unsurprising, since Narymbayev and his supporters crossed the unwritten line against publicly attacking President Nazarbayev -- a long-standing taboo. END COMMENT.)
- 19. (SBU) COMMENT: The government has not initiated any actions against established opposition leaders in relation to the officially sanctioned January 30 protest against leasing land to China. The detention of Arman activists following their denunciations of Nazarbayev after the rally, however, indicate how sensitive authorities are about this issue. The China land-lease deal, and allegations that the President's son-in-law, Timur Kulibayev, received kickbacks over energy deals with China, remain hot-button issues. Rumors of corruption in relation to economic deals with China are especially incendiary in Kazakhstan, where many residents are acutely attuned to their vast, resource-rich country's geographic position, bordering one of the world's most populous and resource-hungry nations. END COMMENT.

HOAGLAND